



THE CITY OF SAN DIEGO
MANAGER'S REPORT

DATE ISSUED: February 6, 2004 **REPORT NO.** 04-037

ATTENTION: Public Safety and Neighborhood Services Committee
Agenda of February 11, 2004

SUBJECT: Public Safety Action Plan

REFERENCE: PS&NS Committee Meeting of December 10, 2003

SUMMARY

Issues:

1. Should the City Council direct the City Manager to commit to the following:
 - a. Funding one Police academy in Fiscal Year 2004 and the appropriate additional academies in Fiscal Year 2005 necessary to begin to address department attrition?
 - b. Dedicating a specific annual budget allocation to begin addressing deferred maintenance for the Police and Fire-Rescue departments?
 - c. Dedicating a specific annual budget allocation to begin addressing fleet replacement in the Police and Fire-Rescue departments?
 - d. Dedicating a specific annual budget allocation to provide for a grant matching fund program?
 - e. Reviewing and making recommendations to improve the reimbursement rate for cost recovery of public safety services for special events?
 - f. Reviewing efficiency studies to determine whether there are public safety recommendations that can be implemented?
2. Should the City Council direct the City Manager to consider funding for the following as a high priority for the Fiscal Year 2005 proposed budget:
 - a. \$5 million in the Police Department and \$3 million in the Fire-Rescue Department as the first step in addressing the structural under-funding in public safety?

- b. Mobile Data Computers (MDCs) for the Police Department at a cost of \$4.3 million and Fire-Rescue Department at a cost of \$4 million?
 - c. Lifeguard positions to fill the critical need during off-season months between the Pacific Beach and Mission Beach lifeguard stations?
- 3. Should the City Council direct the City Manager to update the public facilities, services and safety element of the Progress Guide and General Plan to reflect the existing conditions no later than November 2005 per the schedule as included in the General Plan update?

Manager's Recommendation:

- 1. Direct the City Manager to commit to the following:
 - a. Funding one Police academy in Fiscal Year 2004 and the appropriate additional academies in Fiscal Year 2005 necessary to begin to address department attrition.
 - b. Dedicating a specific annual budget allocation to begin addressing deferred maintenance for the Police and Fire-Rescue departments.
 - c. Dedicating a specific annual budget allocation to begin addressing fleet replacement in the Police and Fire-Rescue departments.
 - d. Dedicating a specific annual budget allocation to provide for a grant matching fund program.
 - e. Reviewing and making recommendations to improve the reimbursement rate for cost recovery of public safety services for special events.
 - f. Reviewing efficiency studies to determine whether there are public safety recommendations that can be implemented.
- 2. Direct the City Manager to consider funding for the following as a high priority for the Fiscal Year 2005 proposed budget:
 - a. \$5 million in the Police Department and \$3 million in the Fire-Rescue Department as the first step in addressing the structural under-funding in public safety.
 - b. Mobile Data Computers (MDCs) for the Police Department at a cost of \$4.3 million and Fire-Rescue Department at a cost of \$4 million.
 - c. Lifeguard positions to fill the critical need during off-season months between the Pacific Beach and Mission Beach lifeguard stations.
- 3. Direct the City Manager to update the public facilities, services and safety element of the Progress Guide and General Plan to reflect the existing conditions no later than November 2005 per the schedule as included in the General Plan update.

Other Recommendations: None

Fiscal Impact: Funding the unfunded needs within the public safety departments will ultimately require new revenues. Absent new revenues, the result will be substantial reductions within the non-public safety areas of the City departments funded by the General Fund.

BACKGROUND

Each fiscal year the City Manager presents a proposed budget to the Mayor and City Council for consideration. The proposed budget includes recommendations for funding the on-going operations of the City as well as long-term capital improvements and asset acquisition. The economic climate and increased cost of business over the past fiscal years have created a decline in funding options for all City services including specific public safety needs such as additional sworn officers, firefighters, vehicles and apparatus.

The City Charter requires the adopted City budget to be balanced. In Fiscal Year 2004 this required reductions of \$28 million in the General Fund to balance the department expenditures against forecasted revenues. Reductions were distributed throughout all General Fund City departments including Library, Park and Recreation, and Police and Fire-Rescue. The reductions made in Police and Fire-Rescue impacted overtime and personnel expenses and were made in an effort to allow non-public safety facilities and programs to remain open and intact. Concerns have been expressed about reduction to the public safety departments given their increasing unfunded needs.

In an effort to focus specifically on the needs of the public safety departments, the Public Safety and Neighborhood Services (PS&NS) Committee requested numerous reports from the Police and Fire-Rescue departments during the past year. The reports covered areas of need including fleet, communications, deferred maintenance, hiring and attrition, and general departmental funding. Following review and discussion by the committee of these issues, the City Manager was directed to prepare a public safety action plan to be implemented beginning with the City's FY 2005 budget. The direction included nine specific results sought by the committee, as follows:

1. A reliable and dependable budget that will help our Police and Fire-Rescue personnel know how much money they will have and enable them to plan for the most fiscally responsible ways to run their programs;
2. Eradication of the practice of structural under-funding, and establishment of a budget system for addressing unmet needs in the Police and Fire-Rescue Departments, beginning with the FY 2005 budget;
3. A budget that is upfront about unmet needs, one that clearly states what needs are not going to be funded each fiscal year;
4. Honesty and transparency in budgeting, the elimination of deferred maintenance, and a program for replacing public safety apparatus in a timely and fiscally responsible manner;
5. Result in savings to the taxpayers;
6. Raising the level of public safety services to keep pace with population growth;
7. Maintaining the improved level of services in a fiscally responsible way so that San Diego never again falls behind;
8. Better Environmental Impact Reports (EIR's) and development agreements to insure that money and land are available to provide the public safety infrastructure that is needed to keep up with population growth

- a. The public facility, services and safety element of the Progress Guide and General Plan should be updated to reflect the existing conditions and issues (identify how this can be done, including costs and time)
 - b. Specific emphasis should be made with Police and Fire to update the Significant Determining Guidelines as related to Police and Fire, and additional emphasis should be placed upon the impact to Police and Fire services when EIRs are prepared
9. A grant matching program to take better advantage of grant opportunities (Ex., last year San Diego qualified for a \$700,000 grant for breathing apparatus equipment, but needed to cut two staff positions to come up with the matching \$300,000.)

This report has been prepared in response to the committee's direction. In preparation of the report, the City Manager met with the employee labor organizations and gathered input from the Police and Fire-Rescue departments. Additional information regarding department needs will be provided in a Comprehensive Public Safety Needs Assessment report to be presented to PS&NS on March 17, 2004.

DISCUSSION

History

Since Fiscal Year 1992, the State of California has diverted more than \$350 million in property tax increments from the City of San Diego to the Educational Revenue Augmentation Fund (ERAF), as well as withholding an additional \$20.1 million of other funding (vehicle license fee backfill, grants, redevelopment and right-of-way maintenance funds) in Fiscal Year 2004 alone. In recent years, the cost of providing City services has outpaced General Fund revenue growth. Inflationary increases, the provision of competitive compensation to City staff, and the constant struggle to keep abreast of deferred maintenance of the City's infrastructure have had the effect of eroding revenues that are available for discretionary allocation to emergency needs and priorities.

San Diego has historically had a comparatively low tax-related revenue base. The City does not charge for residential refuse collection and has never implemented a Utility User Tax as many California cities have done. Furthermore, San Diego has a relatively low Transient Occupancy Tax and Business License Fees. This combined with the actions of the state's continuing raid of City revenues has forced the City into a position where it can no longer keep pace with the funding requirements of a large municipality.

The operating philosophy of the City even in difficult times has been to live within its means. The City has made efforts to reduce expenditures and provide services effectively and efficiently through Performance Based Budgeting and the Organization Effectiveness and Optimization programs. As detailed in the Fiscal Year 2004 Financial Forecast report, most General Fund departments were required to make a two percent expenditure reduction in Fiscal Year 2002, a two percent budget reduction at the beginning of Fiscal Year 2003, a three percent expenditure reduction during Fiscal Year 2003, and \$28

million in budget reductions in preparation for Fiscal Year 2004. Yet again, expenditure reductions have been necessary to balance the General Fund in light of recent state actions and the Fiscal Year 2005 budget may require further reductions if additional revenue is not realized. This continues to impact the City's ability to provide customer services at the levels expected by the community for public safety, parks, and libraries.

As a requirement to maintain a balanced General Fund throughout the fiscal year, each department's expenditures and revenues are continually monitored. This information is evaluated against major General Fund revenues such as Property Tax, Sales Tax, Vehicle License Fees, and Transient Occupancy Taxes (TOT). Adjustments are made respective of the current fiscal situation. Sometimes departments are requested to curtail spending if the revenues are not being realized as forecasted. This is what has occurred over the last three fiscal years throughout City departments, including public safety departments. Without this process, departments would most likely be required to shut down operations thus creating layoff situations and preventing services from being delivered to the public.

Additionally, in the last quarter of each fiscal year a final adjustment is made based on forecasted revenue and expenditures. This is formally known as the fourth quarter adjustment and is presented for approval to the Mayor and City Council. This process allows the City to remain flexible in allocating fiscal resources to areas with the highest need. Without this mechanism in place, the budget reductions would need to be made as hard cuts before a fiscal year begins and the results would be more severe. The flexibility provided by the ongoing monitoring may require adjustment to service levels during the year; however, it allows the majority of facilities to operate without interruption and has in the past minimized (eliminated) workforce reductions. Police and Fire-Rescue anticipate exceeding their Fiscal Year 2004 budgets by \$5 million and \$3 million, respectively. These expenses will be covered using additional unexpected revenue or a transfer of under-expended budgeted funds from other areas within the General Fund. The City will end the year with a balanced budget, as we have in the past, because of the budget management flexibility provided by the process in place.

The lack of resources to fund all public-safety priorities presents a challenging practice of determining the most vital services as required or requested by the City's constituency. Funding sources continue to be finite while the requests seem to be infinite. As long as revenue options continue to be limited, this process literally places the operations of public safety departments at the expense of other City services. Currently if a dollar is added to the Police or Fire-Rescue department budgets, then it must be taken from a different General Fund department, which is exactly what is being done to ensure continued operations in both Police and Fire-Rescue. These reductions in department funding have severely impacted the ability to maintain adequate service levels. The majority of departments have had to reduce non-personnel budgets to levels that will not be able to fund continuing operating expenses. Without new revenues, in order to redirect funds to public safety departments, permanent cuts will be required in non-public safety departments. The decisions are not easy and typically represent a compromise to minimize impacts across all General Fund departments.

Current Financial Picture

Although the current fiscal year has its own shortfalls due to a still recovering economy and continued unmet needs, the coming fiscal year will present huge challenges with funding issues. The state has already indicated that they could divert \$16.0 million in Fiscal Year 2005, in addition to the already diverted ERAF contributions. This scenario will only get worse if the March Bond Initiative does not pass. The City Manager will be presenting a financial forecast of the upcoming budget year to the City Council in mid-March.

Current Year Actions

The City Manager has taken the immediate steps of continuing to provide vital public safety services by reducing expenditures in other non-safety departments. A memo was sent to the City Auditor on January 13, 2004, requesting the encumbrance of \$4.8 million worth of appropriations in order to continue funding public safety. This will allow the Police and Fire-Rescue departments to meet current needs for this year, but will not provide ongoing relief from areas that have historically been under-funded.

In response to direction and a memo from Mayor Murphy, as well as PS&NS recommendations, the City Manager has agreed to send 15 recruits to a regional Police Academy beginning April 19, 2004. Additionally, the Police Department will hire another 5 officers from other public safety organizations. The new recruits will participate in a six-month academy followed by four months of field training. The laterals (officers from other organizations), depending upon their backgrounds, will go through agency specific training, approximately a one-month process, and then will be fully available for field duty. This process, or combination of training elements, will allow for the Police Department to fill up to 20 positions to begin to address some of the vacancy and attrition issues the department faces. The associated cost of training for the current fiscal year is approximately \$275,000 and for Fiscal Year 2005 is approximately \$825,000.

A question raised at the January 28, 2004 PS&NS Committee meeting was how the Police Department staffing needs are being handled in light of the current hiring freeze. While there is a hiring freeze for most City departments, exceptions are being made for public safety by the City Manager on a case by case basis. In the Police Department, eight civilian positions and several dispatchers have been hired this fiscal year to address critical needs. Additional needs that remain will continue to be addressed individually by the City Manager.

Also as raised at the January 28, 2004 PS&NS Committee meeting, the Fire-Rescue Department identified the need to increase staffing in hazardous conditions, such as Santa Ana or high fire risk weather. It should be clarified that the Fire and Police Chiefs have the authority to make any decisions they deem necessary for the safety of citizens as conditions warrant, without limitation by the budget or the City Manager. Fire-Rescue is currently staffing up during times they deem hazardous. Any overtime incurred by taking

immediate action in emergency or high hazard situations will be funded by curtailing expenses in other areas of the City as described above. In the future, it would be prudent to budget funding for the overtime estimated to be incurred by these situations.

Public Safety Action Plan

In recognizing the numerous needs of the public safety departments, the City Manager is recommending specific items to be funded and others to be given priority consideration during preparation of the Fiscal Year 2005 budget. The Mayor and City Council as the policy makers will then have the opportunity to review and approve a final budget. As explained above, the financing picture going into Fiscal Year 2005 is not positive. And, this action plan is not being presented in the context of the overall budget at this point. To make sound financial decisions, it is vital that substantial new commitments be considered as part of the overall budget picture, not in isolation.

With regard to reliable budgeting, it should be noted that the budget is simply a plan containing estimated expenditures and revenues. It is always the case that the actual experience will differ from the adopted budget on a regular and almost daily basis due to occurrences throughout the year. Examples include unexpected vacancies, unexpected shortages, needs that arise and must be dealt with on an emergency basis, and other operating exigencies. There needs to be a great degree of flexibility for both the City Manager and department directors to make decisions on a continual basis to provide for the most efficient and cost effective provision of City services. Reliable budgeting really requires addressing the under-funding that occurs Citywide. The long-term approach is to provide additional revenues to the City's General Fund budget to address the ongoing and future needs associated with providing the services the citizens' demand.

Philosophically, the City Manager is in full agreement that all City departments should be able to rely upon their budgets, there should be no structural under-funding, and that ongoing unmet needs should gradually be funded so that the City continues to move forward and not fall further behind. However, it is imperative to convey the message that without significant new sources of revenue, budgeting for expenses not currently funded will require hard decisions about which other areas of the City will have to go unfunded. It may be that entire non-core services need to be re-evaluated and potentially eliminated. Based upon the direction received following discussion of this report, the City Manager will make any additional recommendations regarding achieving the goals with the limited resources for the proposed budget.

Below are recommendations for addressing the needs of the public safety departments, many of which have been outlined in previous City Manager's Reports presented to PS&NS, followed by an indication of which of the nine points of the PS&NS Committee motion are addressed. Additionally, there is a summary chart of the action plan attached to this report.

Academies – While the Fire-Rescue Department is currently budgeted for two academies, the Police Department needs funding to conduct regular training academies to maintain

the ability to fill vacant positions as attrition takes place. The current rate of attrition of Police officers as identified by Police management is seven per month. As indicated above, one Police academy beginning in spring 2004 will start addressing the attrition issue. To continue to address the issue, the appropriate number of additional academies needed in Fiscal Year 2005 will be determined, and it is recommended that the City Manager be directed to commit to funding these academies in Fiscal Year 2005. Additionally, the City Manager will continue to explore other opportunities to increase field staffing. (*motion items 1, 2, 6*)

Deferred Maintenance - As previously outlined by both the Police and Fire-Rescue departments, maintenance on public safety facilities has been deferred due to budget constraints. The Police Department has identified an annual need of approximately \$500,000 to keep pace with department needs. Similarly, Fire-Rescue has identified the deferred maintenance needs for fire and lifeguard facilities, beyond those covered by the Fire and Lifeguard Facility Improvements Project, at approximately \$11 million, as indicated in the December 4, 2003 report to PS&NS. Maintaining facilities on a regular basis will eliminate the need for major repairs and save the taxpayers money ultimately. To make the deferred maintenance issue manageable, some portion of the expense could be funded annually for a period of time. Should the Transient Occupancy Tax (TOT) measure on the March 2, 2004 ballot pass, a portion of the Fire-Rescue Department allocation would be applied to deferred maintenance. Whether or not the measure passes, it is recommended that the City Manager be directed to dedicate a specific amount of annual funding, beginning in Fiscal Year 2005, to address the deferred maintenance needs. (*motion items 1, 2, 4, 5, 6, 7*)

Fleet – As detailed in previous reports, the public safety department vehicles experience a great deal of wear and tear through normal operations. An independent study of City-wide motive equipment needs estimated the cost for the Police fleet replacement at \$16.3 million. The Police Department's vehicle fleet requires additional funding to replace vehicles on a regular basis. Should the TOT measure pass, \$1 million of the Police Department allocation is intended to purchase two Mobile Command Vans (outfitted), which will take care of one component of the fleet. The Fire-Rescue Department has similar needs associated with the fire apparatus, lifeguard vessels, and vehicles. Replacing vehicles and apparatus on a regular basis will eliminate the need for extra maintenance required to repair the older ones that have begun to need more ongoing repairs due to age. While it is not possible to fund the entire fleet needs immediately, a dedicated annual allocation would begin to address the problem. The Fire-Rescue Department is bringing forward a separate report on apparatus leasing opportunities and passage of the TOT measure would help fund the Fire-Rescue apparatus needs as well. As part of this Public Safety Action Plan, it is recommended that the City Manager be directed to commit to dedicating a specific amount of funding annually, beginning with Fiscal Year 2005, to begin addressing the public safety fleet needs. (*motion items 1, 2, 4, 5, 6, 7*)

Grant Matching Fund Program – A portion of the PS&NS Committee's direction was to establish a grant matching fund program. In cases where grants have match

requirements, the City does not let the grant opportunity pass by due to lack of matching funds. Each department is budgeted for matching funds for known grant needs during the year, and should an unexpected grant opportunity arise, the matching funds are located through departmental savings, expenditure reduction, or additional revenues. This can be challenging, especially as departmental budgets become more and more lean, thus a grant matching fund program would be valuable to ease the strain. It is recommended that the City Manager be directed to dedicate funding annually, beginning in Fiscal Year 2005, to be used to fulfill grant matching obligations as grant opportunities arise. (*motion items 1, 2, 6, 7, 9*)

Special Event Public Safety Fees - Discussion took place at the last PS&NS Committee meeting in regard to the public safety services reimbursement rate for special events. The City Manager is currently re-assessing fees charged for City services and will be returning to the City Council with a number of fee recommendations, similar to last year. As part of this process, the rates charged for public safety during special events are being re-evaluated. The goal will be to achieve a higher rate of cost recovery for services provided. In addition, any other fees associated with public safety will be reviewed and considered. It is recommended that the City Manager be directed to develop recommendations for increasing the cost recovery rate for special event public safety services to be forwarded to the City Council, along with any other public safety fees, for inclusion within the Fiscal Year 2005 budget process. (*motion items 1, 2, 5*)

Operational Efficiency – During the past several years, Zero Based Management Reviews (ZBMRs) have been conducted for various City operations by Executive Service Corps volunteers from Non-Profit Management Solutions, an independent group composed of retired executives and others with extensive business and operational knowledge and experience. The review results are then reported to the Select Committee on Government Efficiency and Fiscal Reform, currently chaired by Councilmember Brian Maienschein and composed of representatives from the community appointed by each council member. Aspects of the public safety operations have been the subjects of these reviews, including three recently completed for the Police Department and two currently underway for the Fire-Rescue Department. A number of recommendations have come out of the ZBMR process and while some of the recommendations have been implemented, others may not have for a variety of reasons. Other efficiency studies including Change 2 and STEP have also been conducted in the past. A follow-up review of the status of the recommendations may reveal additional operational efficiencies that could be implemented to help address some of the public safety needs. It is recommended that the City Manager commit to conducting, with assistance from the public safety departments, a follow up review of ZBMR recommendations, and any other efficiency studies available, to determine whether there are suggested changes that could be implemented to the benefit of public safety. (*motion items 1, 2*)

Additionally, a coalition comprised of the San Diego County Taxpayers Association, San Diego Regional Chamber of Commerce, Performance Institute and Reason Foundation have requested the opportunity to review the City of San Diego's budget, performance measures, organization structure and organization development issues and make

recommendations for improvement. These recommendations will be available for the City Council to consider during budget deliberations for the Fiscal Year 2005 budget.

Under-funding - The Police and Fire-Rescue Departments have been structurally under-funded in recent years, in part due to overtime used to maintain minimum staffing levels required to meet public safety responsibilities, respond to emergencies, and make court appearances. It is anticipated that Police will end Fiscal Year 2004 \$5 million over-budget and Fire-Rescue will end the year \$3 million over-budget. As indicated above, the overage this year will be handled by curtailing expenses in other departments. As the first step in addressing this structural under-funding for future years, it is recommended that the City Manager be directed to consider funding these overage amounts as a high priority during the Fiscal Year 2005 budget process. (*motion items 1, 2*)

MDCs - The Mobile Data Computers (MDCs) used by the public safety departments are obsolete and need to be replaced with state-of-the-art equipment. The Police Department requires 400 replacement units (\$1.8 million) and 566 new units (\$2.5 million) for officers' vehicles. Should the TOT measure pass, Police Department would use \$1.8 million of their new allocation to purchase the replacement 400 MDCs (\$4,485 each). Homeland Security grant funding is also anticipated to fund a portion of this expense. The Fire-Rescue Department requires 200 units for apparatus, including Lifeguards and Advance Life Support ambulances. Including the associated stationary hardware, software, and equipment for mounting the units, the cost for the Fire-Rescue MDCs is \$4 million. Should the TOT measure pass, the Fire-Rescue Department units would be fully funded. To address the need for MDCs, whether the TOT passes or not, it is recommended that the City Manager be directed to consider funding the purchase of all necessary MDCs for both departments as a high priority during development of the Fiscal Year 2005 budget. (*motion items 1, 2, 4, 6*)

Lifeguard staffing - For the Lifeguard service, additional Lifeguard positions have been identified as critical to public safety during the non-summer months to cover the areas between the Mission Beach and Pacific Beach Lifeguard Stations which are 1.5 miles apart. Additional staff would provide coverage at the tower mid-way between the two stations and allow for roving between Pacific Beach and Mission Beach. Currently one lifeguard from each station is assigned to observation duty while one person is available for emergency rescue response. The roving staff would allow for greater coverage of the beach in this area, and provide for an immediate two-person response in these areas. It is recommended that the City Manager be directed to consider funding additional Lifeguard staff for non-summer months a high priority in Fiscal Year 2005. (*motion items 2, 6*)

Unmet Need Identification - In an effort to clearly identify all unmet needs of the City departments, the Financial Management Department will be preparing an additional reference document focused on unmet needs prior to the start of Fiscal Year 2005. This document will be separate from the budget document itself, but issued at approximately the same time. With input from all City departments, unmet needs will be identified and presented within categories as a way of organizing and conveying the priority of the needs. This document will provide valuable information. (*motion item 3*).

Three to Five-Year Plan - In addition to the specific recommendations for commitments and focused priorities for the Fiscal Year 2005 budget development, a three to five-year plan will be developed to further provide adequate funding to the public safety departments. The plan will identify the high priority areas of focus for each subsequent year and outline revenue opportunities to help reduce the list of unmet public safety needs. The City Manager will work closely with the Police and Fire-Rescue departments in developing this plan.

The Fiscal Year 2005 Proposed Budget document will contain a separate section in Volume I describing this three to five-year plan in detail. It will identify what is being funded in Fiscal Year 2005 and what cannot be funded until new revenue sources are approved. This section will also include information on exactly what is being funded from Safety Sales Tax (Prop 172) proceeds. These changes should begin to address concerns discussed in the PS&NS Committee meetings. The goal will be to provide clear communication on funded activities and information on continuing needs in the public safety departments as well as all City departments. (*motion items 1, 2, 6, 7*)

Environmental Impact Report review - Concerns have arisen regarding better management of Environmental Impact Reports (EIRs) and development agreements in regard to safety infrastructure. One specific issue was the outdated existing conditions information. The Public Facilities, Services, and Safety Element of the *Progress Guide and General Plan* will be updated to reflect existing conditions and issues. Identification of Citywide priorities for the provision of facilities is a part of this effort. In addition, a listing of municipal revenue options for consideration in funding needed facilities was included as a part of the October 2002 Strategic Framework Element of the general plan.

Stakeholder discussion and input on this plan element is scheduled to be underway by summer 2004. This timing is based on the ongoing Existing Conditions Data Collection, which is scheduled for completion in July 2004. Discussions between Planning and Fire-Rescue Department staff have already begun for the purpose of identifying the scope of the needed update. Combined with the existing conditions data currently being compiled, stakeholder public involvement will play an important part in defining the element update. A working draft element is planned to be available for distribution by March 2005.

We are on scheduled to complete the comprehensive general plan update for November 2005 consideration by the City Council. Staff services are budgeted to accomplish this and we are working with the public as well as the involved departments to provide the necessary information. (*motion item 8a*)

Development Services is currently in the process of revising its “CEQA Significance Thresholds” and expects to report back to the Land Use and Housing Committee once the revisions are complete. However, Development Services currently evaluates the significance of project impacts on public safety services through the CEQA process in three ways:

1. The number, size, and location of facilities such as fire and police stations are typically identified by the Planning Department with consensus from the Police and Fire-Rescue departments in community plans. Conflicts with the applicable land use plan regarding the siting of Police and Fire-Rescue department service facilities (including Lifeguard facilities) would generally be considered a significant impact. If and when land use plans are amended to site additional facilities, the location of these facilities would also be included in the CEQA analysis. When additional facilities are identified in a community plan, they are added to the Public Facilities Finance Plan for that community and future development is responsible for paying their fair share of those additional facilities through the payment of Developer Impact Fees (DIF) or Facilities Benefit Assessment (FBA) fees.
2. A significant impact may be identified if the direct impacts from construction of new Police and Fire-Rescue Department service facilities needed to serve the project would be significant.
3. Significant impacts have been identified in the past in situations where Fire-Rescue Department response times would be greater than the established standard. Significance determinations in these cases are made in consultation with the Fire-Rescue Department representatives. Mitigation for this impact has included a requirement to install automatic interior sprinkler systems. This requirement, however, has not addressed the response time for paramedic or lifeguard services. If the use of response times as a basis for determining significant impacts under CEQA is to be continued, acceptable response times would be defined and revised as necessary in consultation with the Police and Fire-Rescue departments and concurrently with other, ongoing revisions to the Significance Thresholds.

CEQA requires assurances that identified mitigation measures for significant impacts will be implemented. Developers can be and are required to fund construction of new facilities with DIF and FBA as conditions of project approvals to address capital costs of mitigating Police and Fire-Rescue impacts. However, developers cannot be required to fund ongoing operational costs nor can they make budgetary decisions regarding such funding. If response time impacts are to be considered significant and mitigable by funding ongoing operational costs, the City Council, as the entity responsible for funding decisions, would be required to assume responsibility for implementing the mitigation. In this scenario, the Police and Fire-Rescue departments would propose annual operation budgets within impacted areas for mandatory City Council approval.

Scenarios could also arise where a project would exacerbate a sub-standard response time that could be mitigated only by construction of new facilities (situations where increased operational levels in existing facilities would not reduce response times to acceptable levels). In some of these cases, construction of a new facility may be beyond the capability or legal responsibility of the developer. While this impact could be remedied by future facility construction by others, a significant, un-mitigable impact would nonetheless result from all projects within the sub-standard response time area that exacerbate the situation until the new facility is built. This would result in requiring the

preparation of Environmental Impact Reports for many smaller infill discretionary projects which are currently processed with CEQA exemptions and mitigated negative declarations. (*motion item 8b*)

In summary, the public safety needs of this City are a very high priority. The City Manager has developed an action plan to begin to tackle the unmet needs of the Police and Fire-Rescue departments. We are committed to making changes necessary, including the efforts identified above. Obtaining direction to consider specific public safety budget needs a high priority will provide focus to the Fiscal Year 2005 budget process. The three to five-year plan will continue the effort to ensure that the public safety departments have a reliable and dependable budget to meet their operational needs. Planning for a longer range of time will enable the City to take into consideration needs of our growing population and improve the services so that we do not fall behind.

Funding Solutions

Implementation of a Public Safety Action Plan will ultimately require additional revenue or expenditure reduction in other areas of the City. Should the TOT measure on the March 2, 2004 ballot pass, it will have a positive impact on some of the public safety expenses. As designed, a portion of the new TOT revenue would go to funding for Fire-Rescue facilities, equipment and infrastructure, and Police facilities and equipment. Specifically, Fire-Rescue new funding of approximately \$7.9 million in Fiscal Year 2005 would be used toward purchase of the MDCs (\$4 million), and fund deferred maintenance and an apparatus leasing program in phases. The Police Department would receive approximately \$2.8 million in Fiscal Year 2005 which would fund two Mobile Command Vans (outfitted) for \$1 million (\$500k each) and 400 MDCs as explained above. Specific information on new revenue options, reflective of the results of the TOT election, could be provided to the committee after the March 17, 2004 Comprehensive Public Safety Needs Assessment is presented.

New Revenue

As the current revenue base is not keeping pace with the demands of the on-going City operations, solutions to the issue of public-safety funding must include new and reliable revenue. Because most of the likely solutions would not provide a windfall of immediate revenue, an alternative would be to use new revenue or expenditure savings to fund payments on an omnibus bond issuance. There are regulations on the use of bond funds however the bond issuance would provide for the immediate funding of delayed acquisition of fleet and apparatus and provide for expansion of all public safety services.

Revenues that have been previously discussed as possible solutions include:

1. Parcel or Other Special Property Tax
2. Property Transfer Tax
3. Transient Occupancy Tax
4. Refuse Collection Fee

Each of the above revenues with the exception of the Property Transfer Tax requires approval by a 2/3 vote of the electorate and could generate anywhere from \$15 - \$30 million annually. The revenue could then be used to pay for ongoing expenditures such as staffing, and/or debt service.

Grants

Grants the City applies for and receives assist with funding the public safety needs. It should be noted that the City has recently received several grants which have provided relief for planned expenses. The Park and Recreation Department received notification in January that they had received a National Employment Grant from the Department of Labor to hire temporary crews to assist in the fire recovery effort. This is a joint grant with the County and the Workforce Partnership, intended to provide temporary work for those displaced by the fire through the loss of homes or employment, and for the long term unemployed. Over a two year period, the City is expected to receive workers who will be deployed in assisting with erosion control projects in Mission Trails Regional Park, and brush management in the Mission Trails, Tierrasanta, Scripps Ranch and surrounding areas. This grant funding, which did not require a match, eliminates the need for Park and Recreation to re-deploy three staff from other divisions to accommodate the current year brush management needs.

The Park & Recreation Department is also working toward procuring grant funding to start implementation of a proposed 100 foot brush management area in the City's open space. The Hazard Mitigation Grant Program (HMGP) through FEMA has been included in the Presidential disaster declaration for the California Firestorms of 2003 (DR-1498). Currently, the total estimated federal funding available for this HMGP is approximately \$14,000,000. HMGP grants are provided on a cost-share basis of 75 percent federal share and 25 percent non-federal share. The City is requesting \$3,950,222 for the needs outlined below, and the grant requires a City match of \$1.3 million.

The California Office of Emergency Services (OES) has invited the five affected counties to submit a notice of interest (NOI) for projects that meet program eligibility requirements and the pre-established state priorities. The City submitted an NOI for the Park & Recreation Brush Management Program and on January 20, 2004 received notification that the proposal is eligible and consistent with the program priorities. The City is invited to submit an application before April 2, 2004. The State OES advises that applications will be reviewed as received and forwarded to FEMA for potential funding. The goal is to submit the application as soon as possible to be considered for funding.

Following is information submitted with the NOI: *The City has a total of approximately 2,260 acres of open space that creates 220 linear miles of urban wild land interface. Over 16,000 acres of City open space presents a moderate to severe fire threat to communities throughout the City. San Diego's ability to carry out effective brush management is limited by budget constraints. One of the most proven pre-fire management actions that can be taken is creating a defensible space of 100 ft between*

the structure and the vegetation. (approved as a requirement change to the San Diego Municipal Code by Council action on January 27, 2004.) The space not only reduces the size and intensity of the fire it allows fire-fighting crews time and space to mount a defense against the fire.

The City will request funding for start-up costs (equipment) and one-year program costs to implement a proposed 100 foot brush management area in the City's open space for defense against impending fire. To effectively manage the open space brush we estimate that 875 acres should be thinned each year. At the City's current budget levels only 70 acres of brush is thinned each year. The City cannot keep up with the current demand and thinning additional acres to meet the new 100 foot requirement will place an impossible demand on the budget.

Homeland Security related funding is another example of recent grant funding benefits to the City. The federal Office of Domestic Preparedness of the Department of Homeland Security has administered Weapons of Mass Destruction (WMD) terrorism grant funds since federal Fiscal Year 2000. To date, the City of San Diego has been allocated \$1,089,772 in federal grant funds for first responder equipment. The Fire Department, Office of Homeland Security and the Police Department have used the grant funds to purchase personal protective equipment, chemical and radiological detection and decontamination equipment, explosive device mitigation, and remediation equipment and crisis management software.

In federal Fiscal Year 2003, two large grants were allocated to the San Diego region by the Department of Homeland Security. Both grants, the Urban Area Security Initiative, Park II, (FY03 UASI-II) and the State Homeland Security Initiative, Park II (FY03 SHSGP-II) are to the State with the City being the sub-grantee for one and the County for the other.

The City submitted an application for award of the \$11,360,000 FY03 UASI-II to the Urban Area (Operational Area). These funds are to be spent on WMD planning, training, exercises, equipment and organization. An Urban Area Needs Assessment was completed and an Urban Area Security Strategy was developed to address the short falls identified in the UA Needs Assessment for all five categories. A formula was developed for the distribution of the funds to the 18 incorporated cities and the County. The formula is based on the number of Public Safety (emergency medical, fire, Hazmat and law enforcement) personnel employed by a jurisdiction as a percentage of the number of Public Safety personnel employed by all the incorporated cities and County. The City stands to receive \$2,333,351 of the \$5,994,202 identified for equipment and the City will likely be the recipient of up to 38.6% of the \$2,805,354 in funds identified for training in this grant application package.

The FY 03 SHSGP-II awarded \$6,689,008 to the Operational Area (geographical County area including all political subdivisions) to be spent on WMD planning, training, exercises and equipment. The funds are to be distributed in the next month or two.

Staff anticipates the same formula to be used for the distribution of the \$6,689,008 in FY03 SHSGP grant funds and future terrorism grants awarded to the Urban and/or Operational Area, such as the FY04 UASI grant for \$10,480,000. Unlike the earlier grants, the grants since the FY03 SHSGP-II authorize spending funds for backfill and/or personnel (Firefighters and Police Officers) to develop, deliver and participate in planning, training and exercising. These Homeland Security grants will help address funding needs and do not have a match requirement.

Next Steps

Following presentation of this public safety action plan report, the City Manager will present a comprehensive public safety needs assessment to the PS&NS Committee on March 17, 2004. At that time, the results of the TOT ballot measure will be known and more specific funding information could be provided. A long-term plan to include proposed new revenues will be prepared following presentation of the needs assessment. Significant new revenues will be the key to a long-term and ongoing solution for the City's public safety issues.

Respectfully submitted,

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Deputy City Manager

BH/LKC

Attachment: [Public Safety Action Plan Summary](#)